nkdf

Nechako-Kitamaat
Development Fund Society

2009 – 2010
Annual Report

March 31, 2010

NKDF ANNUAL REPORT

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1. Report From The Chair

This concludes eleven years of service to our member communities and I thank directors, both current and past, for their commitment to Nechako-Kitamaat Development Fund Society (NKDF). Further, I thank our business manager Dan Boudreau for his continued diligence and commitment to effective administration of our processes.

This has been a personally rewarding and highly successful year to be part of NKDF as it invests in a growing number of projects in the Nechako-Kitamaat communities. During the 2009-2010 fiscal we approved $727,998 for 20 new projects, bringing the aggregate approvals so far to a total of $6.3 million for projects across the region.

I find it most gratifying to visit proponents and share the pride they express as they showcase successful projects in their communities. NKDF is fortunate to be able to assist motivated community groups to leverage substantial funding into local economies, and to achieve remarkable goals to the benefit of all constituents throughout the investment area.

This year it has again been our pleasure to participate with several funding agencies (Northern Development Initiative Trust, Western Diversification (CEDI), Indian and Northern Affairs Canada (INAC), Coast Sustainability Trust, and the Real Estate Foundation of BC) plus communities (local government), groups (Rotary & Elks Clubs) and individuals and corporations (Credit Union Boards) who continue to support proponents who are a driving force in their communities to initiate, manage and complete projects through donations of cash, labour and materials culminating in projects we are proud of.

In this time when municipal governments are focused on diversification away from traditional industries to attract business to sustain their communities we are encouraged to observe a plethora of ideas that are helping to achieve success. Many projects this year were championed by local governments, such as Chief Louie Paddle Company project by Cheslatta First Nation and Nadleh Film by Nadleh Whut'en First Nation. Kitamaat Village has enjoyed a banner year with projects such as Heritage Corridor, Recreation Centre Retrofit, and improvements to the Soccer Field.

I encourage you to visit our website at www.nkdf.org for more information about our requirements for applications, activities, directors, the results of decisions, as well as financial and annual reports.

It has been an honour to serve as Chairman for the past 3 years, and I thank all who have expressed ideas and opinions making my term a positive and satisfying experience.

Original Signed by:
Paul Stewart, Chair

2. Society Overview

2.1 Mandate

The Nechako-Kitamaat Development Fund (NKDF) Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The NKDF Society spends the income from its long-term investments on programs and projects that meet each community's goals for economic development and community stability.

2.2 Background of the Fund

In 1997, the Government of British Columbia and Alcan Aluminum Limited each contributed $7.5 million to create the BC-Alcan Northern Development Fund. This BC-Alcan Agreement settled the legal issues between Alcan Aluminum Limited and the BC Government that arose from cancellation of the Kemano Completion Project. In January 1998 an advisory Board for the Northern Development Fund was formed. Its job was to advise the government on how the Fund should be run to stimulate economic growth. In April 1998, the legislature passed Bill 5, the "BC-Alcan Northern Development Fund Act."

Enabled by this Act, and by the recommendations of the advisory Board, the NKDF Society was incorporated on August 18, 1999. The Minister of Community Development appoints Board members to represent the communities of the Nechako-Kitamaat area.

2.3 Investment Area

The investment area for the NKDF is normally limited to those communities with evidence of impacts from Alcan's Nechako Reservoir and Kemano power project. We encourage applications from local governments and legally incorporated non-profit organizations serving the following communities:

District of Vanderhoof	Nadleh Whut'en Band	Burns Lake Band
Fort Fraser	Kitamaat Village	Nee Tahi Buhn Band
Village of Fraser Lake	Stellat'en First Nation	Skin Tyee Band
Village of Burns Lake	Saik'uz First Nation	Cheslatta Carrier Nation
Ootsa Lake		

Applications may be accepted from other areas of Northwestern BC, provided the listed communities receive direct economic benefits from the project and demonstrate their support for the project.

2.4 *Guiding Principles of the Fund*

COMMUNITY ECONOMIC DEVELOPMENT	The NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from outside the Nechako Region and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.

Of the original $15 million, $5 million was provided to NKDF to be used as a working fund to invest in grant programs. The remaining $10 million of the original $15 million was placed into a legacy fund with the goal of investing and growing the fund to $15 million, and the income from the legacy fund to be used to finance NKDF grant programs into the future.

Fund investments are managed by the provincial government, through the Office of the Chief Investment Officer. Monies of the Northern Development Fund—to be used in support of the programs of the NKDF Society—are in investment vehicles which are generally conservative but which also provide some opportunities for growth.

2.5 Society Management

The NKDF Society is governed by a northern-based Board of government appointees who live in the investment area and represent a range of interests. Board seats during the past year were held by:

- Justus Benckhuysen, Rio Tinto Alcan Inc.
- Gloria Catherall, Burns Lake
- Keith Federink, Vanderhoof
- Ray Gerow, Prince George
- Harvey Grant, Kitamaat Village
- Rosanne Murray, Burns Lake
- Mike Robertson, Southside
- Tracey Ross, Kitamaat Village
- Paul Stewart, Vanderhoof (Chair)
- Linda Woodruff, Vanderhoof (Secretary/Treasurer)

Management services are provided through a contract with Dan Boudreau dba Macrolink Action Plans Inc., based in Prince George, British Columbia.

2.6 Government Relations

Since the Society's incorporation in 1999, the provincial government has transferred $6.8 million from the Northern Development Fund to the NKDF Society for its operations and programs. The balance of the original $15 million remains under the control of the BC Investment Management Corporation. (See financial statements for detailed balances of the Society's accounts.)

The NKDF Board of Directors reports to the Minister of Community Development. The Minister is responsible for approving the Society's annual business plan and for appointing all Society Directors. This reporting relationship ensures that the Society's actions are in line with current provincial government priorities and direction.

In addition to the Society's relationship with the province, and in order to coordinate work on projects of mutual interest, the Society also has relationships with federal government ministries and agencies such as Service Canada, Western Economic Diversification and Indian and Northern Affairs.

3. Goals and Achievements

This section includes information from the formal evaluation form completed by Society Directors at the end of each fiscal year, where criteria are judged on a score of 1 to 4, with 1 being poor, 2 being fair, 3 being good and 4 being excellent. The goal is to achieve scores of 3 or 4, and to develop strategies to improve in areas that are scored only 1 or 2.

3.1 Operations

Board Operations

There were three regular Board meetings this year and two conference calls. One meeting was held in Smithers, one was in Burns Lake, and the other in Fraser Lake.

In the annual evaluation, Directors rated most aspects of operations as fair. Although conference calls are not ideal, it was generally felt that they are still the most effective way to conduct business during the winter. Overall, the Director participation was excellent.

Directors were satisfied with the frequency of Board meetings and with the decision making process. Directors believe that the Board meetings provide an effective forum for healthy and open discussion and that the consensus method is working well for decision making. The Society benefits from a mix of Directors with various background experience and interests, and who work well together for the economic benefit of all communities in the investment area.

During the upcoming year, Directors plan to update the strategic plan and create a framework for ongoing evaluation of NKDF and programs.

Management Services

In the annual evaluation, Directors rated the Management Services as good to excellent. Directors have been pleased with the open and spontaneous flow of information, the quality of service for applicants and clients, and the increased awareness of NKDF in the communities throughout the investment area.

The Manager is effective at providing information prior to Board meetings and keeping Directors informed between meetings. Applicants are well prepared by the Manager, which means they understand the NKDF requirements and criteria, which helps them to provide the information needed to enable Directors to make informed decisions.

The Manager will focus on three main areas for the upcoming year: clearly communicating the Society's mandate and criteria to applicants, building on the Society's positive reputation to increase awareness of NKDF in the communities, and increasing the use of technology to get information to Directors, including Board packages. Directors expressed appreciation for the quality of the Management Services and in particular, the clear and concise communication with all stakeholders.

3.2 Programs

Community Grant Program

The Society received a total of 27 new applications during the year and approved 20, totalling $727,998 for the entire investment area for the 2009-2010 fiscal.

This year the majority of Directors rated the Community Grant Program as good to excellent. During this fiscal year Directors reviewed and updated the NKDF vision. Funds are being allocated effectively to each of the areas and the grants are for worthwhile projects that benefit the communities and the investment area. Directors are pleased to have successfully leveraged Society funds with investment funds from other agencies.

For the upcoming year Directors and the Manager will continue to promote the programs and work to increase the uptake in the smaller communities. Directors agree that NKDF Society is benefiting from the increased recognition in the local media across the investment area.

For the future, Directors hope to transfer some of the funds held with BC Investment Management Corporation (BCIMC) into investments that yield higher returns, but which are still safe.

Throughout the year the Manager and Directors welcome feedback from applicants and constituents of the investment area. At the same time, the Directors focus on ensuring the fund is safeguarded by making informed decisions that bring the highest value to government, business people and communities outside the investment area.

Detailed descriptions of this year's approved projects are in section 4.

Community Legacy Fund Program

The Community Legacy was established in 1999, when $10 million of the Society's funds were invested to grow and to perpetuate NKDF programs into the future. The Community Legacy Fund is currently held at the BC Investment Management Corporation and the value as of March 31, 2010 is $15,005,571. Now that the principal has reached that value, the amount of the fund exceeding inflation is spent annually on operations and grants.

Business Loan Program

The Business Loan Program was cancelled as a result of the government-led performance review in 2003. The review ruled that the program creates a business subsidy, and is therefore contrary to government policy. The last outstanding loan was paid in full during the 2007-2008 fiscal, bringing the loans program to a close.

4. Grants Program Details

The Society approved $727,808 in new grants this year, bringing the total approved funding to $5,332,661 since inception. The following table shows grant proposal statistics for this year and all prior years since the inception of the fund.

Year	Proposals Received	Proposals Approved	Proposals Not Approved	Total $ Committed	Total $ Paid
2009-2010	27	20	7	$727,808	$577,207
2008-2009	23	17	6	$711,308	$484,000
2007-2008	34	26	8	$730,517	$445,252
2006-2007	24	17	7	$569,098	$1,172,345
2005-2006	24	19	5	$623,149	$885,151
2004-2005	24	20	4	$496,809	$516,050
2003-2004	45	31	14	$1,172,897	$484,778
2002-2003	8	7	1	$90,139	$224,634
2001-2002	20	11	9	$516,581	$245,634
2000-2001	13	6	7	$137,934	$149,884
1999-2000	6	5	1	$88,021	$25,000
Total	250	180	70	$5,858,661	$5,149,748

The following table summarizes proposals not approved during this fiscal year.

Project	Date	Requested	Reason for Decline
Property Development	23-May-09	$110,000	Funds were not necessary
Aboriginal Day Celebration	23-May-09	$2,000	No demonstrated need for WADF funds
Digital Community Network	21-Jul-09	$97,000	Project was already begun
Trades Facilities	21-Jul-09	$200,000	No demonstrated need for WADF funds
Airport Development	21-Jul-09	$100,000	No clear budget provided
Worker Program Practicum	26-Jan-10	$38,259	Training could proceed without funds
Interactive Video Training	26-Jan-10	$22,000	Could proceed without WADF funds

This table summarizes the grant projects approved or under contract during the [illegible] fiscal year. Summaries are included for each of the approved projects in the following table.

Recipient	Project	Approved	Approved	Status
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[redacted]

[redacted]

[redacted]

[illegible]

[illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible] [

Nadleh Film **$9,799**

Nadleh Whut'en First Nation

Nadleh Whut'en Band was approved for funding to assist with paying for the training of 6 youth to record and document the activities of the Nadleh Bun'ut Cultural Immersion Camp at Ormond Lake in July and August 2009. The six students (3 from Nadleh Whut'en First Nation, and 3 from Stellat'en First Nation) recorded the activities for three weeks and then prepared a documentary film.

Legion Kitchen Renovation **$17,000**

Regional District of Bulkley Nechako

The Royal Canadian Legion Branch #278 intends to install an updated kitchen to comply with health and safety standards. The kitchen is utilized to provide seniors daily lunches, for events such as Seniors Christmas luncheon and pancake breakfasts, and for community rentals. The proposed work includes: installing venting and fire suppression systems; installing 3-phase power and electrical needs; new cabinets and storage system; and purchasing and installing equipment such as Charbroiler, deep fryers, rangergriddle, and convection ovens. The construction will be managed by the Legion Board members.

Southside Development **$40,000**

Village of Fraser Lake

Village of Fraser Lake has been planning for some time to develop a 30-acre property on the south side of Highway 16. The purpose is to provide serviced commercial-industrial land, currently lacking in the area, ready for sale to potential entrepreneurs. The shortage is made even more severe by a lack of commercial/industrial property within the surrounding communities, and by the restrictions of the Agricultural Land Reserve. This project is a partnership between the Village of Fraser Lake, Province of British Columbia, and Northern Development Trust initiative.

6.3 *Burns Lake / Southside Projects*

Bike Park **$60,000**

Burns Lake Mountain Bike Association

The project first came to NKDF in November 2008 and was approved for $3,360 to assist with the completion of the planning and assessment. That part of the project was completed in May 2009, with the help of the International Mountain Bicycling Assn. (IMBA). Burns Lake Mountain Bike Association was incorporated in August 2009. Through an impressive mix of funding, volunteer time, donated labour, equipment, materials and supplies, public recognition and political will, the stakeholders have now completed Phase I of the project. This approval is to assist with furthering the development of a world class standard mountain bike park in Burns Lake.

Electronic Signs **$10,000**

Burns Lake & District Chamber of Commerce

The Burns Lake Beautification Committee will replace the older, well-used banner with a new electronic sign to communicate with locals and visitors to the are... The electronic sign will display advertising for commercial and non-profit chamber members and non-members.

Library Expansion **$55,000**

Burns Lake Public Library Association

Since it was first organized in 1944, the Library has moved and expanded a number of times to meet growing demands on its services. The Library serves more than 1600 patrons, including more than 100 from the Southside of Francois Lake. An addition to the previously funded expansion project, this contribution is for the purchase of shelving and installation of a lift to make the facility assessable to all patrons. Funding partners for this project include NKDF, the Burns Lake Public Library Association and the Province of British Columbia Community Development Initiative.

Film (Projects 1 and 2) **$28,000**

Cheslatta Carrier Nation

The purpose of this project is to produce a 90-minute documentary about the struggles for economic and social survival and development of the Cheslatta Carrier Nation and the Burns Lake Band. This partnership is made up of Cheslatta Carrier First Nations, Social Sciences and Humanities Council of Canada (SSHCC), UBC (in-kind), and NKDF. The total amount of $28,000 reflects the combined total of two approvals for this project.

Chief Louie Paddle Company **$95,000**

Cheslatta Carrier Nation

This is a Cheslatta First Nations research and development initiative with a main objective of creating a social enterprise, providing it is shown to be feasible. During the 2007-2008 fiscal Cheslatta Carrier Nation received a Western Diversification (CEDI) grant to explore opportunities for harvesting, processing and marketing the waterwood (timber recovered from the Nechako Reservoir) and beetle kill timber, as well as to address infrastructure deficiencies. To date, CCN has successfully started to produce paddles and a growing line of craft and gift items, including functional paddles, promotional sizes (from 12" to 36"), spirit feathers, drum frames, carved canoes and key fobs. The purpose of this feasibility phase of the project is to perfect and streamline the current product line, develop and add new viable products, as well as to design and implement a marketing strategy.

Baker Airport Terminal Building **$100,000**

Lakes District Airport Society

Lakes District Airport Society is constructing a 2,500 sq. ft. terminal building at the Baker Airport. The airport, located 20km west of Burns Lake, currently has no heated facility for visitors or medical staff. LDAS plans to recover costs ongoing to operate and maintain the building through meeting room rental, membership increases, cafeteria lease and office rental. The terminal building and the planned increase in service are necessary parts of the Lakes District efforts to combat the impacts of the mountain pine beetle infestation by diversifying the economy.

Artisan Centre Feasibility **$5,500**

Lakes District Arts Council

Lakes District Arts Council (LDAC) was approved for funding assistance to hire a consultant to determine the possibility for creating an Artisan Centre in Burns Lake. If it goes ahead, the Centre will be a place for visual artists to collectively pool their knowledge and resources while accessing retail markets. A space where local quilters, painters, print-makers, scrapbookers, photographers, potters, sculptors, woodworkers, and textile artists can showcase their products for the purpose of cultural tourism, education and revenue. LDAC plans to hire a consultant for a period of 12 weeks to carry out the research to determine the feasibility of the Artisan Centre.

Building Upgrades 2009 **$27,482**

Lakes District Fall Fair Association

The fair grounds are home to the annual agriculture fair, which has been taking place for more than 60 years. In 2008-2009 NKDF provided funding assistance which the Lakes District Fall Fair Association will use to upgrade the exhibit hall and horse barn, as well as upgrading the washroom and constructing a first aid and office building. By offering improved facilities, the Association hopes to create economic benefits by increasing the number of attendees, events and expenditures.

Community Signs **$15,000**

Lakes Economic Development Association

Lakes Economic Development Association is approved for funding to assist the downtown Burns Lake revitalization project, comprised of creating and replacing the easterly and westerly "Welcome to Burns Lake" community signs, as well as adding a 3rd entrance sign south of town.

Biathlon Range **$44,100**

Omineca Ski Club

Omineca Ski Club was founded in 1927 and has enjoyed growth and many successes leading up to today. The Jean Paulson Lodge was built in 2005, with a potential occupancy of 150. Omineca Ski Club is building on existing assets to construct a biathlon range to BC Biathlon standards, as well as purchasing the equipment needed for the Club to host regional competitions. This project is funded in partnership by NKDF, COMFOR and the Omineca Ski Club.

Tourist Attraction **$4,000**

Regional District of Bulkley Nechako

Regional District of Bulkley Nechako is approved for funding to assist with completing a business/resident/tourism attraction project. This project will include: updating and enhancing the Asset Mapping database, translating various pages on the business development section of the website, and preparing business information for inclusion in the RDBN Mining Web Portal.

Emergency Generator **$44,600**

Southside Health & Wellness Centre

Southside residents experience numerous power failures each year, causing interruptions to the delivery of services. The installation of an emergency backup generator, located at the Health Centre, will benefit all community residents by allowing for the continuous delivery of much needed health services, even if there are delays in getting back onto the Hydro grid. This project consists of purchasing and installing an emergency backup power generator at the Southside Health & Wellness Centre. This project is funded in partnership by NKDF, Southside Health & Wellness Centre, and Rio Tinto Alcan Inc.

Independent Housing **$35,000**

Southside Seniors Housing Society

Southside Seniors Housing Society is building a seniors housing facility at Hospital Point. NKDF funds are to assist with hiring professionals to produce a land, geotechnical, and topographical survey of the land. They plan to use the funds to subdivide the land, and for legal and professional fees associated with the permission to enter agreement, property sale and land transfer.

Waterline **$5,300**

Southside Volunteer Fire Department Society

Southside Volunteer Fire Dept is a registered Society operating since 1983 in the Southside area. The fire hall does not currently have a water supply – water is hauled to the hall location from François Lake. In 2005, NKDF assisted SVFDS to install a 5000 gallon underground water tank at the Southside Health & Wellness Centre. This application is for funding assistance to install a 1500' water line from Francois Lake to the fire hall to create a year round supply of water to that location. This project is funded in partnership by NKDF, Southside Volunteer Fire Department Society, and Hamp Construction.

Wind Energy Evaluation **$54,000**

Stellat'en First Nation

Beginning with a strategic planning session in 2007 and subsequent meetings, the Stellat'en community have selected Wind Energy as a top economic development priority. Stellat'en First Nation wishes to complete a detailed wind resource evaluation to determine whether a wind energy operation might be feasible in the area. The resource assessment will be contracted to a technical expert in wind analysis. This project includes five steps to complete an analysis of the wind resource on the Stellat'en First Nation territory and a scoping study of financing and partnership models for project development. The Stellat'en First Nation will work with The

Pembina Institute to implement the project. This project is funded in partnership by NKDF, Stellat'en First Nation, and INAC.

5.4 Kitamaat Projects

Kitamaat Village Beautification **$23,000**

Kitamaat Village Council

Kitamaat Village Council is approved for funds to assist with a two-part project in Kitamaat Village, which is to build 4 bus shelters and a grave digging shed at the grave yard. The project will employ Haisla members to build the shelters.

Haisla Admin Building Paving & Landscaping **$79,876**

Kitamaat Village Council

In 2008, KVC invested $2.3 million in construction of a much-needed administration building. This approval is to provide funding assistance with paving the parking lot and installation of a side walk, a welcome sign and landscaping around the admin building.

Haisla Tourism **$61,938**

Kitamaat Village Council

Kitamaat Village Council plans to build a tourism business using strategic assets and strengths - traditional territory, Kowesas Lodge and cabins, and the Haisla Nation boat. The goals of this project are: to prepare the Haisla Nation to transport tourism traffic, make improvements to Kowesas Lodge, interest Haisla band members in working in the tourism industry, to develop training and coaching packages for workers, to test different tourism packages, to fine-tune the tourism offering and, after a suitable period of testing, to implement the business plan. This project is funded in partnership NKDF, Kitamaat Village Council, and Coast Sustainability Trust.

Heritage Corridor **$56,921**

Kitamaat Village Council

In 2008 KVC initiated the Haisla Tourism project and conducted tests of tourism products/services to take advantage of Haisla traditional territories, mainly in the Kitlope area. This project consists of the development of a "corridor" throughout Kitamaat Village that highlights tourist assets (actual and future) such as a community garden, community green house, community smoke house, and the Haisla Art Gallery (Haisla School). The Tourism Corridor will provide an opportunity for visitors to discover the culture, heritage and traditions of the Haisla Nation. The main goal of the project is to involve Haisla people and provide jobs and economic spin-offs for the community.

Haisla Marine Shipping Lines **$10,000**

Kitamaat Village Council

Kitamaat Village Council is exploring the potential and feasibility for a marine ferry service between Kitamaat Village and a number of smaller, remote coastal communities. The project is in two phases, the first phase includes the feasibility and creation of a business plan, and the second phase involves the securing of assets and commencing business operations. Phase one

of the project is funded in partnership by NKDF, Kitamaat Village Council and Indian and Northern Affairs Canada.

Recreation Centre Retrofit **$100,000**

Kitamaat Village Council

Kitamaat Village Council will use this funding to assist with making improvements to the Recreation Centre, including replacement of the boiler, repairs to the kitchen, upgrading the washrooms, putting down new flooring in the main entrance, and enhancement of the main entrance. Built 35 years ago, the recreation building is a main hub of activities in the Village, used as a gymnasium for the school, by the elders walking club, basketball tournaments, workshops, feast hall and other cultural gatherings such as Gathering of Nations, weddings, and community meetings. The purpose of this retrofit is to reduce fuel costs and conserve the amount of energy required to keep it functional.

Soccer Field **$80,000**

Kitamaat Village Council

Kitamaat Village Council is approved for funding assistance to make improvements to the soccer field, including refurbishing the changing room, replacing the existing wood fence, levelling the ground and installing new bleachers. The field is used for soccer, lacrosse, football, and track and field, as well as a number of celebratory events, including the Music and Friend Music Festival.

5.5 Regional Projects

New Crop Trials **$8,000**

BC Forage Council

The BC Forage Council is a non-profit society funded by memberships and is the lead agency in BC for testing improved forage crops. This project will test forage varieties between 2008 and 2011 with the intention of increasing crop yield and profitability for Nechako area farmers and ranchers. Other funding partners include Nechako Area Livestock Producers and Fort Fraser Livestock (Horn) Fund.

Murray Ridge Ski Hill Redevelopment **$40,000**

Fort St. James Ski Club

In partnership with the District of FSJ, the Fort St. James Ski Club has created a Redevelop Plan to upgrade the Murray Ridge Ski Hill. NKDF approved this project for an amount of $40,000 to assist with the well and water system, marketing, purchase of a groomer and a radio system. Funding partners for this project include the Towns for Tomorrow Program, District of Fort St. James, and Murray Ridge Ski Hill.

Last Mile Internet **$25,000**

Fraser Lake & District Rebroadcasting Society

The purpose of this project is to develop communications infrastructure by installing telecommunication equipment needed to provide high speed Internet access to Fort Fraser and surrounding area. Fort Fraser Ambulance Society and East Francois Lake Volunteer Fire/Rescue were awarded Last-Mile Community Networking Infrastructure Grants by the Ministry of Labour and Citizens' Services. Project benefits include: increased communication for emergency services, increased participation in economic development opportunities, easier for local businesses to operate, increased ability for professionals to telecommute, better access to distance education, and increased interrelations between communities.

Grassroots Development Project **$10,000**

Nechako-Kitamaat Development Fund Society

The purpose of the Grassroots Economic Development Opportunities Fund is to enable NKDF to facilitate project development at the community level while leveraging funding from outside the investment area. The idea behind this concept is to have funds available to assist constituents or applicants to turn their project ideas into living projects. Administered by the NKDF Manager, the Grassroots Development funding is to assist applicants with locating potential funding agencies for projects and broader economic development related projects such as making training available that might not otherwise be offered in the communities in the NKDF investment area.

Recreation Upgrade **$30,000**

Upper Nechako Wilderness Council

Upper Nechako Wilderness Council is a registered Society whose members are lodges and resorts throughout the area south of Vanderhoof. UNWC members have joined forces for the purpose of marketing, promoting tourism and attracting investment. Last year, with funding assistance from RDBC and WED (CEDI), UNWC created a marketing strategy. UNWC has been approved for funding assistance for improving wilderness recreation infrastructure throughout the Upper Nechako region.

Sign Installation **$7,802**

Upper Nechako Wilderness Council

Upper Nechako Wilderness Council is a registered Society whose members are lodges and resorts throughout the area south of Vanderhoof. UNWC members have joined forces for the purpose of marketing, promoting tourism and attracting investment. Last year, with funding assistance from RDBC and WED (CEDI), UNWC created a marketing strategy. UNWC has been approved for funding assistance with installing signage throughout the Upper Nechako region.

6. Financial Highlights at March 31, 2010

2009-2010 Income and Expenses	Budgeted	Actual
Administration Expenses	$83,470	$74,114
Grant Payments	$1,357,622	$576,707
Investment Income	$33,886	$135,941

Note to administration expenses: Administration costs were lower than projected, partially because the Rio Tinto Alcan Inc. representative served at his employer's expense. Manager fees were $49,128, Director Honoraria totalled $5,363, travel and meeting costs were $9,688 and the balance of $9,935 was for accounting, advertising and office expenses.

Note to grant payments: The variance between the budgeted and actual is due to a number of project extensions, and to a number of approved projects that were not yet contracted at the fiscal year end.

Note to grants: The Society approved a total of $727,996 in new grants for the year.

Note to investment income: *NKDF* investments are held at Integris Credit Union in Vanderhoof and with Phillips Hager and North (PH&N).

Account Balances as of March 31, 2010	Assets	Liabilities
Cash and Term Deposits	$546,328	
Short Tom Investments	1,171,105	
Accrued Interest & Receivables	1,889	
Total Assets	$1,719,433	
Less Grant Commitments Outstanding		( )
Total NKDF Assets Less Grant Commitments		**$1,007,930**

Combined assets: The balance of the original $15 million dollar contributions from Alcan and the BC Government are held in the Northern Development Fund, managed by the British Columbia Investment Management Corporation. The market value of this investment account as of March 31, 2010 was $15,005,571, so the combined assets of the *NKDF* and the Northern Development Fund total $16,721,974.

Annual Audit: The annual audit of the *NKDF* was completed in May 2010 by Edmison-Mehr Chartered Accountants (Smithers). The statements are attached as Appendix A.

Appendix A: Audited Financial Statements